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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

ORIGINAL

In the Matter of )  
 )  
Applications of WorldCom, Inc. ) CC Docket No. 97-211  
and MCI Communications Corp. )  
for Transfer of Control of )  
MCI Communications Corporation )

JUN 11 1998

**BELL ATLANTIC COMMENTS ON MCI EX PARTE  
DESCRIBING INTERNET ASPECTS OF  
PROPOSED WORLDCOM AND MCI MERGER**

MCI's June 3 proposal to fix the Internet-related problems caused by its merger with Worldcom is a moving target. According to the head of the European antitrust commission, MCI is continuing to modify its divestiture proposal in an attempt to obtain European antitrust clearance. Reuters, "Van Miert Says Expects New MCI/WorldCom [Proposal]," June 10, 1998 ("There are indications that both companies will make new proposals," Van Miert said in Cologne."). MCI and Worldcom reportedly "are in daily talks" with the European antitrust officials. Bloomberg Business News, June 10, 1998; see also Keller & Wolf, "Antitrust Review May Scuttle MCI Deal," Wall St. J., June 10, 1998, at B6 ("A WorldCom spokeswoman said that 'communications are continuing at the highest levels with the EU and the Justice Department.'"). Yesterday, Cable & Wireless, which had agreed to buy a portion of MCI's Internet business, sued MCI in federal court in an attempt to enforce the agreement. "Cable & Wireless Sues MCI Over Accord," Wall St. J., June 11, 1998, at B7. Cable & Wireless noted that MCI and WorldCom "have advised Cable & Wireless that they intend to offer assets related to and including the (Internet backbone) business for sale to parties other than Cable & Wireless . . . ."

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MCI, WorldCom Revising Asset Sale, Lawsuit Reveals," [http://biz.yahoo.com/finance/980611/mci\\_worldc\\_1.html](http://biz.yahoo.com/finance/980611/mci_worldc_1.html). A proposal that even MCI's own business partners are uncertain will be honored is not stable enough for public comment or Commission approval.

MCI has not adequately described its partial Internet divestiture in the four-page letter to the Commission. Moreover, in its rush to obtain review of the proposal, MCI is asking interested parties to evaluate its proposal even before they have access to MCI's confidential submissions to the Commission. (Pursuant to the five-business-day waiting period MCI insisted on for its protective order, parties cannot see the submissions to the Commission until sometime next week.) In addition to allowing review of the documents produced to the Justice Department and the Commission, MCI should be required to make available the entire agreement with Cable & Wireless and all other documents discussing the alternatives MCI or Worldcom considered in selecting this particular proposed remedy to the Internet problems, before parties comment on the proposal.

Based on the limited information MCI has made available for comment, the proposed divestiture of part of its Internet business would not solve the Internet-related problems caused by the merger. Today, MCI and Worldcom own independent and competing backbones. Under MCI's proposal, after the merger, the two backbones will be dependent on one another for critical functions such as backbone capacity and domestic backhaul facilities: MCI will purchase backbone capacity from Cable & Wireless for three years and Cable & Wireless will lease transmission capacity from MCI for a minimum of two years. MCI Letter at 6-8. In addition, the two currently competing backbones will be contractually bound *not to compete* against one another for at least two years. MCI WorldCom will be precluded from contracting with any ISPs that currently are served by MCI's backbone once the backbone is transferred. MCI Letter

at 7 ("The agreement protects C&W from competition by MCI WorldCom . . ."). At the same time, Cable & Wireless is not permitted to compete "for retail Internet services with MCI's current commercial Internet customers" for a period of up to two years after the close of the transaction. MCI Letter at 8. The sale to Cable & Wireless thus diminishes current competition.

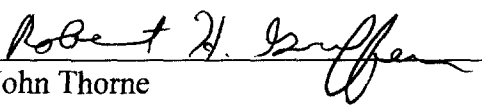
Finally, in addition to the Internet problems, the merger would cause a significant decrease in current long distance competition. Bell Atlantic Petition to Deny the Application of WorldCom or, in the Alternative, To Impose Conditions, 13-15 (Jan. 5, 1988). MCI's June 3 proposal does nothing to address those problems.

MCI and Worldcom have sandbagged the Commission and the commenting parties by waiting almost half a year to begin to address the problems the merger would cause. The Commission should not approve the merger on the basis of the June 3 proposal.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of Bell Atlantic Comments On MCI Ex Parte Describing Internet Aspects of Proposed WorldCom and MCI Merger were served on the parties listed below by US mail postage prepaid, unless otherwise indicated, on this 11<sup>th</sup> day of June 1998.

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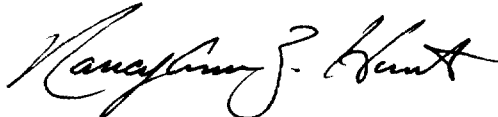
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